

MCKENNA LONG & ALDRIDGE LLP
230 Park Avenue, Suite 1700
New York, New York 10169
Telephone: (212) 905-8300
Facsimile: (212) 922-1819
Christopher F. Graham

LATHAM & WATKINS LLP
885 Third Avenue
New York, New York 10022
Telephone: (212) 906-1200
Facsimile: (212) 751-4864
Mitchell A. Seider
Keith A. Simon

Counsel for U.S. Bank National Association, as Successor in Interest to Wells Fargo Bank, N.A., as Successor Trustee in Trust for Holders of Wachovia Bank Commercial Mortgage Trust Commercial Mortgage Pass-Through Certificates, Series 2007-ESH

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

EXTENDED STAY INC., et al.

Debtors.

Chapter 11

Case No. 09-13764 (JMP)

Jointly Administered

**RESERVATION OF RIGHTS OF U.S. BANK NATIONAL ASSOCIATION, AS
SUCCESSOR TRUSTEE, TO DEBTORS' MOTION FOR ENTRY OF AN ORDER
PURSUANT TO SECTIONS 105(a) AND 363 OF THE BANKRUPTCY CODE
APPROVING BIDDING PROCEDURES AND NOTICE OF THE AUCTION
RELATING THERETO AND GRANTING RELATED RELIEF**

U.S. Bank National Association, as successor in interest to Wells Fargo Bank, N.A., as successor trustee in trust for holders of Wachovia Bank Commercial Mortgage Trust Commercial Mortgage Pass-Through Certificates, Series 2007-ESH (the “Trust,” and the current trustee thereof, the “Successor Trustee”),¹ by and through the Special Servicer (as defined

¹ The Successor Trustee holds a perfected, senior secured claim of over \$4.1 billion against certain of the Debtors (the “Mortgage Debt”). As a result of the bankruptcy filing, the \$4.1 billion Mortgage Debt became a “specially serviced loan” under that certain Trust and Servicing Agreement dated as of August 1, 2007, as amended from time to time, by and between Wachovia Large Loan, Inc., as Depositor, Wachovia Bank, National Association, as Servicer, and Wells Fargo Bank, N.A., as Trustee (the “TSA”), and the servicing duties with respect to the Mortgage Debt were transferred to Trimont Real Estate Advisors, Inc. (the “Special Servicer,” and together with the Successor Trustee and the Trust, the “Mortgage Debt Parties”). The Special Servicer serves as special servicer under the terms of the TSA, and has the authority set forth in the TSA to take action with respect to the Trust’s interest in the Mortgage Debt, including, but not limited to, filing this Reservation of Rights in the name of the Trust and the Successor Trustee.

below) and its counsel, files this Reservation of Rights (the “Reservation of Rights”) to the Debtors’ Motion for Entry of an Order Pursuant to Sections 105(a) and 363 of the Bankruptcy Code Approving Bidding Procedures and Notice of the Auction Relating Thereto and Granting Related Relief (the “Motion”).² In support of this Reservation of Rights, the Successor Trustee respectfully states as follows:

1. On April 2, 2010, the Debtors executed a commitment letter (the “C/P Investors Commitment Letter”) with Centerbridge Partners, L.P. and Paulson & Co. Inc. (together, the “C/P Investors”). The C/P Investors Commitment Letter contemplates the C/P Investors funding a plan of reorganization based on the March 17, 2010 Investment Agreement (the “Starwood Investment Agreement”) and the Debtors’ Third Amended Plan of Reorganization (the “Third Amended Plan”).³ See Motion, ¶¶ 12-13. The C/P Investors Commitment Letter further contemplates the commencement of an auction process pursuant to which the Debtors will solicit proposals for the sponsorship and funding of a plan of reorganization (the “Auction”). On April 15, 2010, the Debtors filed the Motion seeking approval of the bidding procedures that will govern the Auction.

2. On April 16, 2010, the Debtors, the Special Servicer, the Operating Advisor, and their respective professionals attended an all-hands meeting to negotiate revised bidding procedures that would govern the Auction. The parties thereafter exchanged further comments and revisions to the proposed bidding procedures and the professionals to the Debtors, the

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion. The Successor Trustee expressly reserves the right to supplement and amend this Reservation of Rights, to respond and join in any argument or objection made by any party relating to the Motion, and to be heard at any hearing relating to the Motion.

³ Pursuant to the C/P Investors Commitment Letter, the Debtors are to file their Fourth Amended Plan of Reorganization Under Chapter 11 of the Bankruptcy Code and related Disclosure Statement on or before April 23, 2010.

Special Servicer, and the Operating Advisor met again on April 20, 2010 to discuss and negotiate their respective comments to the proposed bidding procedures. Upon information and belief, the Successor Trustee believes that all of its material comments to the proposed bidding procedures have been accepted by the Debtors. Accordingly, the Successor Trustee files this Reservation of Rights simply to preserve its ability to review the updated form of bidding procedures filed by the Debtors and raise any issues at the hearing on the Motion to the extent necessary.

[Signature Page Follows]

Dated: New York, New York
April 21, 2010

MCKENNA LONG & ALDRIDGE LLP
By: /s/ Christopher F. Graham
Christopher F. Graham

230 Park Avenue, Suite 1700
New York, NY 10169
Tel: (212) 905-8300
Fax: (212) 922-1819
E-mail: cgraham@mckennalong.com

LATHAM & WATKINS LLP
By: /s/ Mitchell A. Seider
Mitchell A. Seider
Keith A. Simon

885 Third Avenue
New York, NY 10022
Tel: (212) 906-1200
Fax: (212) 751-4864
E-mail: Mitchell.Sieder@lw.com
Keith.Simon@lw.com

*Co-Counsel for U.S. Bank National Association, as Successor in Interest to Wells Fargo Bank,
N.A., as Trustee in Trust for Holders of Wachovia Bank Commercial Mortgage Trust
Commercial Mortgage Pass-Through Certificates, Series 2007-ESH*

AFFIDAVIT OF SERVICE

Alison M. Elko, being duly sworn, deposes and says:

1. I am over 18 years of age and am not a party to the above-captioned proceedings. I am employed by McKenna Long & Aldridge LLP, having offices located at 303 Peachtree Street, N.E., Suite 5300, Atlanta, Georgia 30308.
2. On April 21, 2010, I caused to be served a true and correct copy of the Reservation of Rights of U.S. Bank National Association, as Successor Trustee, to the Debtors' Motion for Entry of an Order Pursuant to Sections 105(a) and 363 of the Bankruptcy Code Approving Bidding Procedures and Notice of the Auction Relating Thereto and Granting Related Relief via (i) the United States Bankruptcy Court for the Southern District of New York's electronic filing system to all parties indicated on the electronic filing receipt; and (ii) Federal Express First Overnight Delivery and electronic mail to the parties listed on Exhibit 1 attached hereto.

Dated: Atlanta, Georgia
April 21, 2010

Sworn to before me on this
21st day of April, 2010
/s/ Pamela G. Matthews
PAMELA G. MATTHEWS
Notary Public, State of Georgia
Commission Expires: November 18, 2013

By: /s/ Alison M. Elko
Alison M. Elko

EXHIBIT 1

Mark S. Indelicato, Esq.
Mark T. Power, Esq.
Gilbert Backenroth, Esq.
Hahn & Hessen LLP
488 Madison Avenue
New York, NY 10022
mindelicato@hahnhessen.com
mpower@hahnhessen.com
gbackenroth@hahnhessen.com

*Counsel to the Official Committee
of Unsecured Creditors*

Paul K. Schwartzberg, Esq.
Elisabetta G. Gasparini, Esq.
Office of the United States Trustee
33 Whitehall Street, 21st Floor
New York, NY 10004
Paul.Schwartzberg@usdoj.gov
Elisabetta.G.Gasparini@usdoj.gov

Counsel for the United States Trustee

Marcia L. Goldstein, Esq.
Jacqueline Marcus, Esq.
Weil Gotshal & Manges
767 Fifth Avenue
New York, NY 10153
marcia.goldstein@weil.com
jacqueline.marcus@weil.com

Counsel for the Debtors